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## A BILL TO BE ENTITLED AN ACT 1 2 relating to faculty compensation policies at institutions of higher 3 education. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 4 5 SECTION 1. Subchapter Z, Chapter 51, Education Code, is 6 amended by adding Section 51.9081 to read as follows: Sec. 51.9081. FACULTY COMPENSATION POLICIES UNTIL 2013. (a) 7 Not later than August 31 of each fiscal year, the governing board of 8 9 each institution of higher education, as defined by Section 61.003, shall determine whether the average compensation of tenured and 10 11 tenure-track faculty at the institution for that fiscal year is 12 less than the average compensation for similar faculty at public institutions of higher education in the 10 most populous states, 13 14 not including this state, according to the most recent information available. In making the comparisons, the governing board shall 15 16 consider faculty compensation only at those institutions of the same category according to the system established by the Southern 17 18 Regional Education Board or the Carnegie Foundation or another major system for classifying institutions of higher education as 19 determined appropriate by the Texas Higher Education Coordinating 20 21 Board and shall make a separate determination for each faculty rank. The coordinating board shall provide the governing board the 22 23 information necessary to administer this section.

24 (b) If the governing board of an institution determines that

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the average compensation of faculty at a particular rank at the 1 2 institution is less than the average compensation for faculty at that rank provided by the other states, the governing board shall 3 4 report that determination and the relevant data to the coordinating 5 board and shall adopt a program to reallocate available resources 6 in a manner that will reduce the percentage difference between the 7 average compensation of each faculty rank at the institution by 8 one-fourth in the current state fiscal biennium and in each of the 9 next three bienniums, so that at the end of the fourth biennium the average compensation of faculty at each rank at the institution is 10 equal to or greater than the average compensation provided by the 11 12 other states. If fewer than four fiscal bienniums are remaining before the expiration date provided by Subsection (e), the 13 14 governing board shall adopt the program to reduce the percentage 15 difference by one-fourth in each fiscal biennium before the 16 expiration date. 17 (c) Not later than December 1, 2006, and in each subsequent fiscal year, each governing board to which this section applies 18

19 shall report, in the form and manner prescribed by the coordinating 20 board, the governing board's progress in remedying faculty 21 compensation deficiencies identified under this section. The 22 governing board shall provide the report to the Legislative Budget 23 Board, the governor's office of budget, planning, and policy, and 24 the coordinating board.

(d) In recommending funding formulas under Section 61.059
for institutions to which this section applies, the coordinating
board shall account for any salary increases required to be made at

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1	those institutions under Subsection (b).
2	(e) This section expires September 1, 2013.
3	SECTION 2. This Act takes effect January 1, 2006.